Careers MultiList Limited ABN 88098952277 and Controlled Entities

Interim Financial Report

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2010.

Directors

The following persons were directors of Careers MultiList Limited during or since the end of the half-year and up to the date of this report:

Daniel Riley (Managing Director)

Ian Winlaw (Non-executive Chairman)

Greg Riley (Non-executive Director)

Steve Rogers (Non-executive Director)

Changes to the board, effective 1st October 2010 are as follows;

- Greg Riley resigned as Managing Director and remains on the board as a Non-executive Director.
- Daniel Riley was appointed Managing Director and resigned as Company Secretary.
- Michael Shillito was appointed Company Secretary.

Review of Operations

Revenue of the consolidated entity for the half-year increased by 29.8% to $9,309,400 (2009: $7,173,153). Revenue growth was primarily due to recognition of 6 months trading of acquired entity Zenith Management Services Pty Limited (acquisition date 4th November 2009).

The net profit after tax of the consolidated entity for the half-year increased by 6.8% to $380,493 (2009: $356,130). The benefits of business combination efficiencies are expected to reduce costs and improve profit in the second half of the 2011 financial year.

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the half year increased by 7.1% to $616,966 (2009: $576,239).

Basic earnings per share for the half-year increased to 0.760 cents (2009: 0.723).

Auditor's Declaration

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 2 for the half-year ended 31 December 2010.

This report is signed in accordance with a resolution of the Board of Directors.

Managing Director

Daniel Riley

Dated this 25th February 2011

HALLCHADWICK
Chartered Accountants and Business Advisers

CAREERS MULTILIST LIMITED
ABN 88 098 952 277
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF CAREERS MULTILIST LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2010 there have been:

a. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

b. no contraventions of any applicable code of professional conduct in relation to the review.

Hall Chadwick
Level 29, St Martins Tower
31 Market Street, Sydney, NSW 2000

DREW TOWNSEND
Partner
Date: 25 February 2011

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Careers MultiList Limited ABN 8809895227
and Controlled Entities

Interim Financial Report

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Note	Consolidated Group	
		31.12.2010	**31.12.2009**
		$	**$**
Revenue		9,309,400	7,173,153
Agency fees		(4,225,478)	(3,852,863)
Employee benefits expense (on-hired staff)		(2,816,690)	(1,722,705)
Employee benefits expense (perm staff)		(1,129,944)	(557,404)
Depreciation and amortisation expense		(37,800)	(22,836)
Accounting fees		(17,884)	(10,000)
Finance costs		(40,000)	(48,369)
Bad and doubtful debts		(25,000)	(38,368)
Other expenses		(469,359)	(413,904)
Profit before income tax		547,244	506,704
Income tax expense		(166,751)	(150,574)
Profit from Continuing Operations	5	380,493	356,130
Other Comprehensive Income		-	-
Total comprehensive income for the period		380,493	356,130
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)		0.760	0.723
Diluted earnings per share (cents)		0.760	0.723

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	Note	Consolidated Group	
		31.12.2010	**30.06.2010**
		$	**$**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,318,468	1,416,081
Trade and other receivables		2,666,504	2,703,103
Other assets		16,893	31,162
TOTAL CURRENT ASSETS		4,001,865	4,150,346
NON-CURRENT ASSETS			
Property, plant and equipment		132,306	150,841
Deferred tax assets		213,094	252,527
Intangible assets	2	2,590,631	2,564,409
TOTAL NON-CURRENT ASSSETS		2,936,031	2,967,777
TOTAL ASSETS		6,937,896	7,118,123
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		2,326,294	2,564,495
Borrowings		626,833	188,865
Current tax liabilities		331,881	210,110
Short-term provisions		97,937	119,582
Other liabilities		-	750,318
TOTAL CURRENT LIABILITIES		3,382,945	3,833,370
NON-CURRENT LIABILITIES			
Borrowings		1,240,808	1,321,242
Long-term provisions		91,181	108,102
TOTAL NON-CURRENT LIABILITIES		1,331,989	1,429,344
TOTAL LIABILITIES		4,714,934	5,262,714
NET ASSETS		2,222,962	1,855,409
EQUITY			
Issued capital		3,391,607	3,404,547
Retained earnings		(1,168,645)	(1,549,138)
TOTAL EQUITY		2,222,962	1,855,409

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Note	Issued Capital Ordinary	Retained Earnings	Total
		$	$	$
Balance at 1.7.2009		-	407,897	407,897
Profit attributable to members of the parent entity		-	356,130	356,130
Subtotal		-	764,027	764,027
Dividends paid or provided for		-	(348,032)	(348,032)
Balance at 31.12.2009		-	415,995	415,995
Balance at 1.7.2010		3,404,547	(1,549,138)	1,855,409
Profit attributable to members of the parent entity		-	380,493	380,493
Transaction costs from prior period share issue		(12,940)	-	(12,940)
Subtotal		3,391,607	(1,168,645)	2,222,962
Dividends paid or provided for	3	-	-	-
Balance at 31.12.2010		3,391,607	(1,168,645)	2,222,962

Careers MultiList Limited ABN 8809895227
and Controlled Entities

Interim Financial Report

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Consolidated Group	
	31.12.2010	**31.12.2009**
	$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	9,149,277	6,331,298
Payments to suppliers and employees	(8,775,460)	(5,853,242)
Interest received	7,655	1,670
Finance costs	(40,000)	(48,369)
Income tax paid	(5,547)	(255,393)
Net cash provided by operating activities	335,925	175,964
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale/purchase of non-current assets	-	(81,002)
Payment for subsidiary, net of cash acquired	(526,222)	(2,265,671)
Net cash used in investing activities	(526,222)	(2,346,673)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowings	(76,233)	2,547,361
Repayment of lease liabilities	(9,324)	-
Dividends paid	(250,318)	(348,032)
Costs of capital raising	(12,940)	-
Net cash provided by/(used in) financing activities	(348,815)	2,199,329
Net (decrease)/increase in cash held	(539,112)	28,620
Cash and cash equivalents at beginning of period	1,416,081	173,952
Cash and cash equivalents at end of period	876,969	202,572

Reconciliation of cash and cash equivalents	
Cash and cash equivalents	1,318,468
Overdraft	(441,499)
	876,969

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Careers MultiList Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2010, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

Accounting Standards not Previously Applied

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Revenue Recognition

Dividends received from a subsidiary, joint venture or associate shall be recognised as dividend revenue in the profit or loss irrespective of whether such dividends may have been paid out of pre-acquisition profits. Previously, such dividends were treated as a return of capital invested. Such dividends may be an indicator of impairment where the carrying amount of the investment exceeds the consolidated net assets relating to that investment or where the dividend exceeds the total comprehensive income of the respective investee in the period the dividend is declared.

	Consolidated Group	
NOTE 2: INTANGIBLE ASSETS	**31.12.2010**	**30.06.2010**
Goodwill	**$**	**$**
Cost Net carrying value	2,590,631	2,564,409
Net carrying value	2,590,631	2,564,409

The recoverable amount of the goodwill is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cashflow projections over a five year period. The cashflows are discounted using a discount rate of 13%.

The final instalment of $500,000 relating to the acquisition of Zenith Management Services Pty Ltd was paid on 2nd November 2010. Details of this acquisition are disclosed in Note 10 of the 30 June 2010 Financial Report for Careers MultiList Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Consolidated Group	
NOTE 3: DIVIDENDS	31.12.2010	31.12.2009
	$	$
Distributions paid/provided for		
Final 2010 fully franked ordinary dividend of 0.5 (2009: Nil) cents per share franked at the tax rate of 30% (2009: N/A)	250,318	
Interim fully franked ordinary dividend declared on 15th October 2009 of $0.65 (2008:Nil) cents per share franked at the tax rate of 30% (2008:N/A)	-	200,000
Fully franked redeemable preference dividend declared on 24th July 2009 of $0.26 (2008:$0.28) cents per share franked at the tax rate of 30% (2008:30%).	-	148,032
	250,318	348,032

NOTE 4: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the type or class of customer for the products or service;
- external regulatory requirements.

Types of products and services by segment

(i) *Recruitment*

The Recruitment segment includes revenue from the supply of temporary, contract and permanent staff.

The Recruitment segment receives invoices from franchisees for supply of temporary, contract and permanent staff to recruitment clients of Careers MultiList Limited.

(ii) *Franchising*

The Franchising segment includes recurring fees received from franchisees. At the time of this report there were 90 franchisees nationally.

(iii) *Services*

The Services segment includes income from services complementary to recruitment. The key income streams are payroll outsourcing, cataloguing services for library clients and software.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

There were no Inter-segment transactions.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- income tax expense;
- deferred tax assets and liabilities;
- intangible assets; and

Comparative information

This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been restated to conform to the requirements of the Standard.

	Recruitment	Franchising	Services	Total
	$	**$**	**$**	**$**
Six months ended 31.12.2010				
Revenue	7,739,043	550,678	1,011,601	9,301,322
Total segment revenue	7,739,043	550,678	1,011,601	9,301,322
Reconciliation of segment revenue to group revenue	-	-	-	-
Interest revenue	-	-	-	8,078
Total group revenue	**7,739,043**	**550,678**	**1,011,601**	**9,309,400**
Segment net profit before tax	323,478	128,493	164,995	616,966

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 5: OPERATING SEGMENTS (CONT'D)

	Recruitment	**Franchising**	**Services**	**Total**
	$	**$**	**$**	**$**
Reconciliation of segment result to group net profit/(loss) before tax				
Interest revenue				8,078
Amounts not included in segment result but reviewed by the Board:				
• Depreciation and amortisation				(37,800)
Unallocated items:				
• Finance costs				(40,000)
• Other				-
Net profit before tax from continuing operations				547,244
Six months ended 31.12.2009				
Revenue	6,194,821	545,922	457,884	7,171,483
Total segment revenue	6,194,821	545,922	457,884	7,171,483
Reconciliation of segment revenue to group revenue	-	-	-	-
Interest revenue	-	-	-	1,670
Total group revenue	**6,194,821**	**545,922**	**457,884**	**7,173,153**
Segment net profit before tax	410,977	153,178	122,506	686,661
Reconciliation of segment result to group net profit/(loss) before tax				
Interest revenue				1,670
Amounts not included in segment result but reviewed by the Board:				
• Depreciation and amortisation				(22,836)
Unallocated items:				
• Finance costs				(48,369)
• Other				(110,422)
Net profit before tax from continuing operations				506,704

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 5: OPERATING SEGMENTS (CONT'D)

(ii) Segment assets

The nature of the business is such that assets are used across all segments and can't be identified as relating to a specific segment. The net book value of assets is $6,938,216 (30.06.2010: $7,118,123) per the consolidated statement of financial position.

(iii) Segment liabilities

The nature of the business is such that liabilities can't be identified as relating to a specific segment. The net value of liabilities is $4,714,934 (30.06.2010: $5,262,714) per the consolidated statement of financial position.

(iv) Major customers

The Group has a number of customers to which it provides both products and services. The Group supplies one single external customer in the Government segment which accounts for 17.6% of external revenue (2009: 30.7%). The next most significant client accounts for 12.3% (2009: 12.4%) of external revenue.

NOTE 6: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

There are no material events subsequent to reporting date.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 11 are in accordance with the *Corporations Act 2001*, including:
   a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
   b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Daniel Riley
Managing Director
Dated this 25th day of February 2011

HALLCHADWICK

Chartered Accountants and Business Advisers

CAREERS MULTILIST LIMITED
ABN 88 098 952 277
AND CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CAREERS MULTILIST LIMITED

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Careers Multilist Limited which comprises the consolidated statement of financial position as at 31 December 2010, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration of the consolidated entity.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Careers Multilist Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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CAREERS MULTILIST LIMITED
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AND CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CAREERS MULTILIST LIMITED

Matters Relating to the Electronic Presentation of the Audited Financial Report

This review report relates to the financial report of the consolidated entity for the half-year ended 31 December 2010 included on the website of Careers Multilist Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on the company's website.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Careers Multilist Limited is not in accordance with the Corporations Act 2001 including:

a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

b. complying with AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Hall Chadwick

Level 29, St Martins Tower

31 Market Street, Sydney, NSW 2000

DREW TOWNSEND

Partner

Dated: 25 February 2011